

LETTER OF UNDERSTANDING BANKED LEAVE TIME PROGRAM

1. Eligibility.

Permanent and limited-term, full-time, part-time, seasonal, and intermittent, probationary and non-probationary employees shall be required to participate in the Banked Leave Time Program (Program) known as Part B hours under the State's Annual and Sick Leave Program. Non-career employees are not eligible to participate in the Program.

2. Definitions and Description of Program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by three and two tenths (3.2) hours per pay period for full-time employees and by a pro rata number of hours for less than full-time employees. The employee will be credited with a like number of Banked Leave Time (BLT) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this Letter of Understanding, an employee shall not be able to accumulate in excess of 188 BLT hours. Accumulated BLT hours shall not be counted against the employee's regular annual leave cap, known as Part A hours under the Annual and Sick Leave Program.

The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as regular annual leave, pursuant to Article 39.

4. Timing of Conversion of Unused Program Hours.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the State to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution.

If the amount of a projected contribution would exceed the maximum amount allowable under Section 415 of the Internal Revenue Code (when combined with other projected contributions that count against such limit), the State shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will

continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including LTD) in which the employee is enrolled will not be changed as a result of participation in the Program. Employees shall incur no break in service due to participation in the Program. Subject to legislative approval, the Program is not intended to have an effect on the Final Average Compensation calculations under the State's Defined Benefit Plan nor the salary used for employer contribution calculations under the State's Defined Contribution Plan.

6. Relationship to Plan A and Plan C.

Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

7. Term.

The Program shall be effective beginning November 7, 2004. The pay reduction and accrual provisions of this Letter of Understanding shall be in effect through the pay period ending November 5, 2005 unless extended by mutual agreement of the Parties.

NO LAYOFF GUARANTEE

The Employer agrees that no employee in the Administrative Support or Human Services Bargaining Units will be indefinitely or temporarily laid off under provisions of Article 12 Layoff and Recall during fiscal year 2005. In the unanticipated event that it becomes necessary to conduct indefinite or temporary layoffs, the employer shall inform the union as early as possible, but not less than thirty (30) calendar days in advance of the layoffs, and discuss upon request the potential impact upon unit employees caused by such layoffs. Following Employer notice of any such layoffs and upon request of the International Union, employee participation in the Banked Leave Time Program will be suspended for the remainder of the fiscal year, beginning with the first pay period following such notice. All accrued Bank Leave Time hours shall remain subject to the provisions of the Letter of Understanding.

LETTER OF UNDERSTANDING JOINT CASELOAD REVIEW COMMITTEE FY 05

The parties agree to continue the joint committees in the Department of Corrections and the Family Independence Agency comprised of four (4) representatives designated by the Union, four (4) representatives designated by the Department, one (1) representative designated by the International Union, and one (1) representative designated by the Office of the State Employer.

The committees shall continue to review and discuss issues related to staffing ratios, reasonable production standards, approval of annual leave, and standards of promptness.

The committees shall meet at mutually agreed times for the term of this Agreement. Joint recommendations of the committees shall be made to the Department Director, the Director of the Office of the State Employer and the International Union.

**LETTER OF INTENT
SUBCONTRACTING REVIEW COMMITTEE FY 05**

The Office of the State Employer and the International Union and Local 6000 agree to continue the committee to address problems related to state contracting. It is the intent of the parties that this committee will include participation by at least the Office of the State Employer, International and Local Union representatives, and Lt. Governor John Cherry as an ex-officio member.

**LETTER OF UNDERSTANDING
DEPARTMENT OF CORRECTIONS
OVERTIME FY 05**

The parties have discussed concerns raised by the Union related to mandatory overtime scheduling for Registered Nurses in the Department of Corrections. For the term of this Agreement, the department agrees that Registered Nurses will not be mandated overtime on their regular day off, except in emergency situations.

**LETTER OF UNDERSTANDING
REGISTERED NURSES FY 05**

The parties agree to continue the committee comprised of a representative of the Department of Community Health, the Department of Corrections, the Office of the State Employer and three representatives of the Union designated by the International Union to review issues related to the recruitment and retention of registered nurses. The Committee will review best practices in the field as well as scheduling and compensation issues.

**LETTER OF UNDERSTANDING
UAW LOCAL 6000
LIMITED TERM APPOINTMENTS FY 05**

Beginning November 7, 2004, when an employee has been in the same limited term appointment for 4,160 continuous service hours, the employee shall be made permanent, unless the employee is working in a project which has an established ending date. This provision shall not apply to CPCP and MADA positions in the Family Independence Agency, nor shall it apply in the case of a continuing state classified employee who accepts an appointment to a limited term position in accordance with Article 12, Section A. This Letter of Understanding is entered into with the good faith

intent to prevent the use of limited term appointments to avoid making permanent appointments.

**TERM OF THE LETTERS OF UNDERSTANDING FOR THE BANKED LEAVE TIME
(BLT) PROGRAM – FISCAL YEAR 2005**

Except as otherwise provided herein, this Agreement shall be in effect upon Civil Service Commission ratification and shall expire with the fiscal year 2005 Banked Leave Time program.